

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Before the Board of Patent Appeals and Interferences

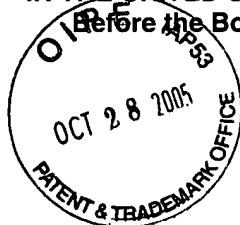
In re Patent Application of

UNDERSTEIN

Serial No. 09/617,065

Filed: July 13, 2000

Title: WEB-BASED ACCOUNT MANAGEMENT



Atty Dkt. 2802-5

C# M#

TC/A.U.: 3624

Examiner: E. Colbert

Date: October 28, 2005

APF
IFW

Mail Stop Appeal Brief - Patents

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Sir:

☐ **Correspondence Address Indication Form Attached.**

☐ **NOTICE OF APPEAL**

Applicant hereby **appeals** to the Board of Patent Appeals and Interferences

from the last decision of the Examiner twice/finally rejecting \$500.00 (1401)/\$250.00 (2401) \$
applicant's claim(s).

☒ An appeal **BRIEF** is attached in the pending appeal of the
above-identified application \$500.00 (1402)/\$250.00 (2402) \$ 250.00

☐ Credit for fees paid in prior appeal without decision on merits \$-()

☐ A reply brief is attached. (no fee)

☐ Petition is hereby made to extend the current due date so as to cover the filing date of this
paper and attachment(s)
One Month Extension \$120.00 (1251)/\$60.00 (2251)
Two Month Extensions \$450.00 (1252)/\$225.00 (2252)
Three Month Extensions \$1020.00 (1253)/\$510.00 (2253)
Four Month Extensions \$1590.00 (1254)/\$795.00 (2254) \$

☐ "Small entity" statement attached.

Less month extension previously paid on \$-()

TOTAL FEE ENCLOSED \$ 250.00

Any future submission requiring an extension of time is hereby stated to include a petition for such time extension.
The Commissioner is hereby authorized to charge any deficiency, or credit any overpayment, in the fee(s) filed, or
asserted to be filed, or which should have been filed herewith (or with any paper hereafter filed in this application by this
firm) to our **Account No. 14-1140**. A duplicate copy of this sheet is attached.

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APPEAL BRIEF

Sir:

Applicant hereby **appeals** to the Board of Patent Appeals and Interferences from
the last decision of the Examiner.

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(I) **REAL PARTY IN INTEREST**

The real party in interest is eDEPOSIT Corporation.

(II) RELATED APPEALS AND INTERFERENCES

The Appellant, the undersigned, and the assignee are not aware of any related appeals, interferences, or judicial proceedings (past or present), which will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

(III) STATUS OF CLAIMS

Claims 1-9 are pending and have been rejected. No claims have been substantively allowed.

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(IV) STATUS OF AMENDMENTS

No amendments have been filed since the date of the outstanding Office Action.

(V) SUMMARY OF CLAIMED SUBJECT MATTER

The invention relates to an account management system for Internet commerce applications and, more particularly, to a system for qualifying a participant in a transaction over the Internet. The system acts as an intermediary or third-party participant that provides an Internet account/credit management system to eliminate the potential for fraud or abuse in an Internet-conducted transaction.

The specification initially describes the site architecture and system method with reference to an application to an auction company or Internet auction venue. In this context, as shown in Fig. 2, the system serves as an intermediary between sellers and bidders participating in an auction or other transaction over the Internet, and between the Internet auction site and the participants (sellers and bidders) in an auction. The system establishes and maintains bidder funding accounts to ensure sellers that bidder funds are available for any required deposits and bid amounts. The Internet auction site enlists the system to require bidders to maintain a bidder funding account, and the system tracks each bid of every auction simultaneously. See page 10, line 13 - page 11, line 2.

The system of the invention could thus be readily implemented into any transaction where qualification is desirable, such as between a vendor and its customers. In this context, when a participant desires to purchase a product or otherwise enter a transaction with a vendor, similar to the auction process of the invention when the participant is the high bidder, a hold is placed on the participant's consumer funding account as in step S13. See Fig. 4. If a deposit is required to enter into the transaction, a first portion of the funding account is reserved corresponding to an amount of the deposit.

If no deposit is required, only a second portion of the funding account corresponding to transaction costs may be reserved. This function is similar to a letter of credit or buyer qualification or the like for potential buyers. The system assures the vendor that identified buyers have met deposit requirements. See page 17, line 14 - page 18, line 3.

When it is determined that the transaction is complete, as in step S14, the purchase is accepted. Subsequently, the held funds can be transferred to the vendor directly from the funding account or alternative arrangements can be made. See page 18, lines 4-7.

The process of establishing an account is described with reference to Fig. 3. To establish an account, the user is prompted to complete a registration form via a link 26. Once completed, the user selects a user ID and password and is assigned an account number. The user can deposit funds via a link 28 by any suitable means, and funds are deposited into a system server bank account and tracked through a server database. Users can track and monitor their account at any time via a link 30, e.g., to determine an amount of interest earned or the status of holds on the account. See page 11, lines 3-22.

A balance in the account can be an amount of unreserved funds deposited in the account and/or an amount of unreserved credit in the account according to a line of credit provided to the user. See page 12, lines 5-8.

If the registered user intends to purchase an item requiring a deposit, the user is prompted to enter an identification number at the participating site, and through the system, it is determined if the deposit amount is available in the user's account. If so, the system reserves a portion of the account according to a transaction parameter, which

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parameter is determined by one of the qualifying system, the buyer or the seller. See
page 13, lines 13-21. See also page 13, line 22 - page 16, line 18.

(VI) GROUND OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether claims 7 and 9 are unpatentable under 35 U.S.C. §112, second paragraph.
2. Whether claims 1-9 are unpatentable under 35 U.S.C. §103(a) over U.S. Patent No. 6,122,625 to Rosen in view of U.S. Patent No. 6,260,024 to Shkedy.

(VII) ARGUMENT

1. The Office Action contends that the claim language relating to the “system server” is unclear, but does not explain what in particular is unclear about it. Claim 7 defines a computer system including at least one user computer and a system server. The system server runs a server program and is programmed to perform the process steps defined in the claim. The Appellant is trying to “say and claim” exactly what is specified in the claim – wherein an interconnected user computer and system server perform the specified processes and functions to ultimately qualify a participant in a transaction, as would be understood by those of ordinary skill in the art.

The Office Action further contends that claim 9, step (b) “has a similar problem.” Without knowing what problem is perceived, it is difficult for the Appellant to address this concern. Step (b) in claim 9 defines a step where the qualifying system determines whether the participant has established a consumer funding account, and if not, the system provides the participant an opportunity to establish such an account, which will be administered by the qualifying system. Appellant respectfully submits that those of ordinary skill in the art could readily ascertain what subject matter is being claimed.

Reversal of the rejection is respectfully requested.

2. The present invention in claims 1 and 9 encompasses a method of qualifying a participant over a global network in a transaction requiring the transfer of funds from the participant using a qualifying system. Claim 7 defines a computer system for effecting qualifying of a participant in such a transaction, and claim 8 defines a computer program embodied on a computer-readable medium for qualifying a

participant. As such, the method, system and program of the invention endeavor to encompass a precursor to an actual transfer of funds to complete the transaction. The qualification in fact typically enables participation in the transaction without necessarily including any funds transfer.

In contrast with this general premise of the claimed invention, the Rosen patent defines a system that facilitates electronic funds transfer. The system enables a user to perform conventional banking functions electronically as well as to complete transactions by transferring funds electronically.

Claim 1 of the present application defines, *inter alia*, a step of (c) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualifying system, the participant or the other party. In this context, the Office Action references “col. 20, lines 28-58 and col. 42, lines 9-44” without any particular discussion of the subject matter allegedly disclosed in the Rosen patent. The section at column 20 in Rosen, however, describes a manner of clearing and reconciling a \$50 electronic note, and the section at column 42 describes a process for validating an account number as part of a withdrawal request from one teller module to another (see FIGS. 29, 30).

An objective in the Rosen system is to permit re-transfer of electronic funds in denominations smaller than an original denomination. In order to do this, each electronic note contains data fields storing appropriate data to track the funds (see, e.g., column 19, lines 37-66). This section in Rosen referenced by the Examiner is in fact irrelevant to a

qualifying system that reserves a portion of an account according to a transaction parameter.

In the process for validating an account number, a teller module in the Rosen system makes a withdrawal request from another teller module, which includes an inquiry to determine whether sufficient funds are available to support the withdrawal (see, column 42, lines 36-39). Such an inquiry, however, does embody any “reservation” of funds. Also, as discussed previously, the process is conducted as part of a transaction and does not in any manner serve as a mechanism for “qualifying” a participant in a transaction.

In fact, nowhere in either of these sections does Rosen even remotely disclose a qualifying system that reserves a portion of an account according to a transaction parameter. Beyond the vague reference to “col. 20, lines 28-58 and col. 42, lines 9-44,” which sections are in fact irrelevant to this feature of the invention, the Office Action does not reference a single teaching in Rosen to support the grounds of rejection.

A potentially more relevant section in the Rosen patent relates to “subscriber-to-subscriber payment” beginning at column 48, line 34, with reference to Figure 36. Figure 36 illustrates the process flow for a payment transaction from one participant to another. In no instance, however, is either participant subject to qualification by reserving a portion of a funding account according to a transaction parameter. Rather, provisions are made whereby a buyer (Alice) indicates an amount of funds to be transferred, and a seller (Bob) indicates acceptance of the terms. Subsequently, the funds are transferred.

Although during this process the system determines whether the buyer has sufficient funds available to complete the transaction, as discussed above, this determination is distinguishable from the reservation of a portion of a consumer funding account to effect qualification of a participant as defined in claim 1 of the present application. As noted, with the system of the invention, qualification of a participant is a precursor to entering a transaction. A participant may be qualified for a transaction without funds matching the entire transaction amount in the consumer funding account. The system in fact is not necessarily meant to effect transfer of funds upon completion of the transaction. Rather, the system enables participant qualification for example to provide security in the event that one participant fails to perform. For example, the transaction parameter may be a deposit required by either the buyer or the seller (as defined in dependent claim 2 – discussed in more detail below). Thus, upon non-performance after the transaction is complete, the aggrieved party can recompense any losses via the reserved deposit amount.

Rosen thus lacks at least (c) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualify system, the participant or the other party; and (d) the qualifying system qualifying the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

In a similar context, with regard to claim 7, Rosen also lacks a system server reserving a portion of the consumer funding account according to a transaction parameter . . . , wherein the system server qualifies the participant for the transaction if the

consumer funding account satisfies conditions of the transaction parameter. Claim 8 defines related subject matter embodied in a computer program, and claim 9 defines steps similar to those in claim 1 in steps (d) and (e). Since at least these features of the invention are lacking in the Rosen patent, Appellant respectfully submits that the rejection is misplaced.

With regard to the dependent claims, Appellant submits that these claims are allowable at least by virtue of their dependency on an allowable independent claim. In addition, claim 2 recites that the transaction parameter is a required deposit. In this context, the Office Action references “col. 27, lines 24-43, fig. 11, and fig. 12.” This section in Rosen, however, describes an accounting arrangement for depositing portions of a subscriber’s electronic money contained in a transaction money module to a correspondent bank’s teller money module. The deposit required as set forth in claim 2, in contrast, is a transaction parameter that facilitates qualification of the participant. For example, a seller may require the system to reserve a portion of the buyer’s consumer funding account (in the nature of a deposit toward the purchase price) in order to provide some recourse in the event of non-payment by the buyer. On the other hand, the buyer may require the system to reserve a portion of the seller’s consumer funding account in order to provide recourse in the event of non-performance (e.g., non-delivery) by the seller. No such transaction parameter is disclosed in the Rosen patent.

Claim 5 recites a step of releasing the reserved portion of the consumer funding account when the transaction is completed. In Rosen, in contrast, funds are physically

transferred between buyer and seller, and Rosen does not “release” any reserved portion of the accounts.

The Office Action recognizes that Rosen “did not expressly disclose the system as a qualifying system” (despite repeated references to Rosen’s purported “qualifying system”), and contends that Shkedy discloses such a system at column 6, lines 9-12 and 18-40. The Office Action concludes that it would have been obvious “to combine Rosen’s system with Shkedy’s qualifying system because such a combination would allow their systems to have a verification process with the seller entering into a legally binding contract with an intermediary.” The Shkedy patent, however, does not correct the deficiencies noted above with regard to Rosen. Indeed, neither Rosen nor Shkedy provides any suggestion to modify the Rosen system to serve a qualifying function. Moreover, this section in Shkedy rather relates to ensuring that the seller understands the contract being entered into is binding and possibly requiring the seller to provide qualifications. The patent also mentions authenticating the seller’s ability to deliver goods defined in the contract. Nowhere does Shkedy even remotely disclose a system that functions to qualify a participant in a transaction via reserving a portion of a funding account according to a transaction parameter.

Appellant thus respectfully submits that the rejection is misplaced. Reversal of the rejection and allowance of the application is requested.

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CONCLUSION

In conclusion it is believed that the application is in clear condition for allowance; therefore, early reversal of the rejections and passage of the subject application to issue are earnestly solicited.

Respectfully submitted,

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(VIII) CLAIMS APPENDIX

1. A method of qualifying a participant over a global network in a transaction requiring a transfer of funds from the participant using a qualifying system, the method comprising:

(a) the participant establishing a consumer funding account by depositing funds in the consumer funding account, the consumer funding account to be administered by the qualifying system;

(b) the participant entering a transaction requiring a transfer of funds from the participant to an other party;

(c) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualifying system, the participant or the other party; and

(d) the qualifying system qualifying the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

2. A method according to claim 1, wherein the transaction parameter is a required deposit.

3. A method according to claim 1, wherein the transaction parameter is an amount of funds required to complete the transaction.

4. A method according to claim 1, wherein step (c) is practiced by reserving a first portion of the consumer funding account corresponding to a required deposit and reserving a second portion of the consumer funding account corresponding to an amount of funds required to complete the transaction.

5. A method according to claim 1, further comprising releasing the reserved portion of the consumer funding account when the transaction is completed.

6. A method according to claim 1, wherein step (c) is practiced by querying a network website server that maintains the consumer funding account.

7. A computer system for effecting qualifying of a participant over a global network in a transaction requiring a transfer of funds from the participant to an other party, the computer system comprising:

at least one user computer running a computer program that requests information according to a transaction inquiry input by the participant; and

a system server running a server program, the at least one user computer and the system server being interconnected by a computer network, the system server determining whether the participant has established a consumer funding account by depositing funds in the consumer funding account, and if so, the system server reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the system server, the participant or the other party, wherein the system server administers the consumer funding account, and wherein the system server qualifies the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

8. A computer program embodied on a computer-readable medium for qualifying a participant via a qualifying system over a global network in a transaction requiring a transfer of funds from the participant, the computer program comprising:

means for the participant to establish a consumer funding account by depositing funds in the consumer funding account, the consumer funding account to be administered by the qualifying system;

means for the participant to enter a transaction requiring a transfer of funds from the participant to an other party;

means for the qualifying system to reserve a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualifying system, the participant or the other party; and

means for the qualifying system to qualify the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

9. A method of qualifying a participant over a global network in a transaction requiring a transfer of funds from the participant using a qualifying system, the method comprising:

(a) the participant entering a transaction requiring a transfer of funds from the participant to an other party;

(b) the qualifying system determining whether the participant has established a consumer funding account, wherein if not, the qualifying system providing the participant an opportunity to establish the consumer funding account, the consumer funding account to be administered by the qualifying system;

(c) after establishing the consumer funding account, the qualifying system continuing with the transaction;

(d) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualifying system, the participant or the other party; and

(e) the qualifying system qualifying the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

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(IX) **EVIDENCE APPENDIX**

(NOT APPLICABLE)

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(X) **RELATED PROCEEDINGS APPENDIX**

(NOT APPLICABLE)